

Will back legislation to make up for lack of Social Security COLA adjustment

Washington, DC – Rep. Charlie Wilson (OH-6) announced today that House Democrats will move ahead with legislation to provide Social Security recipients a one-time \$250 payment. The Social Security Administration announced that there will be no automatic Cost-of-Living-Adjustment for 2011. That means that for the first time ever there will be two consecutive years that Social Security retirees, veterans, and people with disabilities will see no increase in their monthly Social Security, SSI, VA Pension and Compensation, and Railroad Retirement benefits. This unprecedented situation is a result of weak economic conditions, not the result of Congressional or Presidential action or inaction.

“I was proud to vote for the \$250 supplement in 2009. I know those checks helped seniors on fixed incomes. If the Social Security Administration is not going to give a cost of living adjustment for a second year in a row, I will once again push to get a \$250 supplement to our seniors. It’s the right thing to do,” Wilson said.

H.R. 5987, the Seniors Protection Act, will provide a \$250 payment to about 54 million Americans in lieu of no increase in their monthly income. The President has already budgeted for this and this supplement for seniors can be done in a fiscally responsible way.

The COLA is automatically calculated using data on inflation published by the Bureau of Labor Statistics (BLS). October 15 is the day BLS releases the final economic factor that the Social Security Administration uses to calculate the annual COLA. In 2009, Social Security recipients saw a 5.8% increase in their benefits, the largest since 1982, as a result of rising costs; but in 2010, they saw no COLA at all.

Social Security benefit levels are modest – only \$14,000 a year for the average retiree. The median income for senior households is just \$24,000, reflecting just how much Social Security means to most elderly Americans. Six in ten seniors rely on Social Security for more than half of their income, and about a third of retirees have little other than Social Security on which to live.

Gains for Seniors

The 111th Congress has worked to strengthen the economic security of America's seniors. In the American Recovery and Reinvestment Act of 2009, Congress provided seniors and other beneficiaries a \$250 economic recovery payment to boost the economy and help them weather an anticipated upcoming COLA cutback. In fact, a recent study by the Economic Policy Institute showed that similar payments to seniors in 2009 strengthened the economy, increasing the nation's GDP by 0.5% in the second quarter of the year, and creating or saving 125,000 American jobs.

Under health reform, millions of seniors will save thousands of dollars on their prescription drug costs by phasing out the Medicare prescription drug "donut hole" coverage gap and Medicare will be strengthened. In 2010, 4 million seniors who hit the donut hole are receiving a \$250 rebate check. Beginning in 2011, seniors who hit the donut hole will receive a 50 percent discount on brand name drugs, and the donut hole will be completely closed by 2020. In addition, beginning on January 1, 2011, the Affordable Care Act provides that seniors on Medicare will receive free preventive services such as mammograms and certain colon cancer tests as well as a free annual physical. The Affordable Care Act also strengthens Medicare by extending the solvency of the trust fund by an additional 12 years, from 2017 to 2029.

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